

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Joseph Horwedel

**SUBJECT: ABANDONED SHOPPING
CART PROGRAM**

DATE: May 9, 2006

Approved

/s/

Date

05/17/06

This memorandum is prepared in response to the Mayor's March 2006 Budget Message direction to review the effectiveness of the Abandoned Shopping Cart Program and to include an assessment of how grocery stores have been cooperating in this endeavor. The memo also directed that modifications to this program should include working with store providers to develop changes together.

On April 3, 2006, Code Enforcement Division staff mailed invitations to 152 stores who had submitted Abandoned Shopping Cart Prevention Plans (as required of stores with 26 or more shopping carts) to attend a meeting on April 14, 2006 to begin this assessment. (*A copy of the meeting invitation is attached.*) Prior to the meeting, Code Enforcement Division staff was contacted by several stores, including two of San Jose's larger stores, Save Mart and Costco, who wished to highlight their efforts to reduce the number of abandoned carts in San Jose.

On April 14, 2006, the Code Enforcement Division hosted an informal meeting to discuss opportunities to further reduce the number of abandoned shopping carts in San Jose. Although, all current permit holders were notified of the meeting, only one industry representative elected to attend. This is due, most likely, to the fact that the City is not proposing to increase the Abandoned Cart Prevention Permit fee. Fortunately, the one attendee was the new regional manager for Mi Pueblo who, after discussions with staff, agreed to implement several suggestions to prevent their carts from being abandoned. Some of the suggestions included utilizing the store's intercom system and distributing fliers, in multiple languages, advising shoppers of the costs to replace carts, and the feasibility of installing a coin-operated cart distribution machine to encourage shoppers to return carts to the store. The April meeting was a first step in modifying the program to decrease the number of abandoned shopping carts from neighborhood streets.

Included in the 2006-2007 Proposed Operating Budget is a proposal to reinstate a Code Enforcement Inspector position that is instrumental to providing a proactive Abandoned Shopping Cart Program. If approved, this position will function as a liaison to the storeowners, which would expand and enhance outreach and enforcement efforts to remove abandoned carts from San Jose's neighborhoods.

/s/

JOSEPH HORWEDEL, ACTING DIRECTOR
Planning, Building and Code Enforcement

Attachment

April 3, 2006

To Whom It May Concern:

RE: ABANDONED SHOPPING CART PREVENTION PROGRAM

In an effort to engage stores that currently submit *Abandoned Cart Prevention Plans*, the Code Enforcement Division will be hosting an informal meeting to discuss opportunities to reduce the number of abandoned shopping carts in San Jose.

During the last two budget years, the Mayor and City Council have expressed concerns regarding the number of abandoned carts observed throughout San Jose. During his March 2006 Budget Message, the Mayor asked staff to work with store providers to define the problem areas, determine what methods stores are utilizing to successfully combat abandoned shopping carts, solicit opportunities to develop modifications to improve the Program in an effort to increase effectiveness and ensure the Program is cost-recoverable. Since 2002 the City of San Jose has experienced a significant General Fund deficit and, as a result, the City considered two options to address abandoned shopping carts: 1) raise the *Abandoned Cart Program Fee* to 100% cost-recoverability, which would have amounted to a staggering 410% increase or 2) cease “proactive” enforcement. The City elected to cease enforcement of violations of the *Abandoned Cart Prevention Plans*.

Code Enforcement Division staff is recommending no increase to the *Abandoned Cart Program Fee* for FY 2006-07, representing a second consecutive year without an increase in the fee. We are recommending to the Mayor and City Council the reinstatement of “proactive” enforcement, utilizing revenue from the Solid Waste Enforcement Fee and revenue derived from citations issued for those stores that fail to comply with their own *Abandoned Cart Prevention Plans*.

Therefore, you are cordially invited to meet with Code Enforcement Division staff to discuss this citywide concern. The meeting date, location and time are as follows:

**April 14, 2006
170 W. San Carlos Street
1:30 p.m.-3:30 p.m.**

Parking will be available at the San Jose Convention Center Parking Garage and parking will be validated. (Please bring your parking ticket with you to the meeting). If you have further questions regarding the purpose of the meeting, or are unable to attend and would like your comments considered, please contact Code Enforcement Administrator Jamie Matthews at (408) 277-8455.

Sincerely,

Michael Hannon, Deputy Director
Planning, Building and Code Enforcement